mcmillan

ONTARIO REPEALS CANADIAN RESIDENCY REQUIREMENT FOR DIRECTORS

Posted on June 15, 2021

Categories: Insights, Publications

In October 2020, <u>we reported</u> that the Ontario government had proposed amendments to Ontario's *Business Corporations Act* (the "**OBCA**") that would eliminate the OBCA's Canadian residency requirements for corporate directors and permit private corporations to pass certain written shareholder resolutions in lieu of meetings with only a majority of shareholders signing the resolutions (instead of all shareholders). The amending legislation – the omnibus Bill 213, the *Better for People, Smarter for Business Act, 2020* – was enacted and received Royal Assent on December 8, 2020.

The Ontario government has announced that these amendments to the OBCA will come into force on July 5, 2021. As of that date, Ontario will join the provinces of Alberta, British Columbia and Quebec in no longer requiring that any directors of its provincial business corporations be residents of Canada.

by John Clifford and Graham Bevans

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

© McMillan LLP 2021